

3/2/10 ICSD Budget Workshop Notes

(Derek Chang, your humble – and often confused – note-taker)

Board Members & District Officials Present: Robert Ainslie, Bradley Grainger, Elizabeth Kunz, Josh Bornstein, Scott Perez, Sean Eversley Bradwell, Eldred Harris, Jay True, Seth Peacock (came late), Judith Pastel, Constance Evelyn (Assistant Superintendent for Curriculum and Instruction), Lesli Myers (Assistant Superintendent for Student Services), Robert Van Keuren (Director of Human Resources and Labor Relations), Les McCormick (Interim Director of Business Services)

Documents (agenda, budget spreadsheets, increased class size spreadsheet, etc):

available at http://www.icsd.k12.ny.us/index.php?option=com_wrapper&Itemid=256

Note: I'm probably not the guy to be taking notes during a budget meeting. Particularly during the early part of the workshop (expenses, debt service fund, contingency budget), I struggled to pick up the nuance of what was being discussed. Actually, that's an exaggeration. I struggled to pick up almost everything that was being discussed. Aaron Buechel, Cris Donovan, Ann Rechlin, Peter Wissocker, Sara Culotta, and Tom Clavel may be able to provide greater detail (and explanation). While I'm more confident of my notes on the latter half of the meeting, I'm hoping that notes and memories of Aaron, Cris, Ann, Sara, and Tom will round out my account.

Note: Sara Culotta's notes from the meeting follow mine.

1. Expenses

- Pastel presented spreadsheets that outlined Gross Category Early Projections
- These, generally speaking, are fixed costs for ICSD – things like salaries, payments for benefits, debt service (see below), BOCES, New Roots
- The important fact here seems to be that Pastel has received “new information” which made her alter and increase the projections
- These increased items here is that the projected cost for BOCES is \$667,204 (the earlier projection was \$413,329)

2. Debt Service

- Pastel presented an overview of the use of the debt service fund
- My notes here are bad, and so is my memory. My sense is that this was the same (vaguely incomprehensible) presentation on the topic that is on the ICSD Budget website.
- Could Aaron or Cris or Peter or Ann or anybody else who was there kindly elucidate this part of the workshop?

3. Contingency Budget

- This was a discussion what happens if voters reject ICSD's budget and a contingency budget takes effect
- Jay True related what he learned at a seminar conducted in January by R. G. Timbs Advisory Group, Inc.

- Here's the process:
 - If voters on 5/18 reject the proposed budget, ICSD has the option of moving to a contingency budget right away or offering a revised budget to voters for a revote to take place on 6/15
 - If the budget fails a second time, ICSD must adopt a contingency budget on 7/1
- There are two main constraints imposed by a contingency budget
 - Appropriations are limited to ordinary contingency expenses (i.e., expenditures absolutely necessary to operate & maintain schools; this does not include buses, for instance)
 - Budget caps
 - The overall increase in the total budget is capped at the lesser of 120% multiplied by the consumer price index (CPI), OR 4%
 - This year the CPI is a negative number, so the 120% would be multiplied by 0
 - The administrative component of the budget is capped at the lesser of the percent of the administrative component to the prior year's total budget (not counting the capital component), OR the percent that administrative component comprised in the last proposed defeated budget for the subsequent year (not counting the capital component)
- My notes here are a bit garbled, but I believe a contingency budget based on the current year's budget (see the first budget cap above) would require a \$5.5 million reduction, but ICSD would have less discretion about how to make those cuts (see the second budget cap above)
- I did my best to pay close attention here, but I was frankly lost through most of it. Mostly I was staring at the bright lights and fancy computer technology used to project the spreadsheet. However, the bottom line seems to be that Pastel and members of the Board view the contingency budget as a very bad thing. For example, under a contingency budget, if ICSD were to receive additional aid from the state (beyond what was projected), those funds would have to be set aside and placed in reserve until the next year. In other words, even with additional state aid, ICSD is prevented from spending more than the budget stipulates.
- Aaron, Sara, Cris, Ann, Peter, and Tom will surely be able to provide greater detail.

4. 2% and 4.25% Budgets

- My sense here (and please someone correct me if I got this wrong – those lights were bright and the technology fancy) is that the discussion of this part of the agenda was not formal. The discussion of how much would need to be cut under 2% and 4.25% tax levy increases was folded into the discussion of the contingency budget.
- 2% levy increase would require \$7,279,005 to be trimmed from the budget
- 4.25% levy increase would require roughly \$5.5 million to be cut from the budget

5. Administrator Reductions

- In general, there were 5 cuts discussed. They would yield \$500,000 in savings.
 - During the discussion, when asked by Scott Perez if the proposed cuts to central administration staff were the only options being considered, Pastel

responded that she was still working on other possible cuts, but she did not specify

- I should note also that the discussed cuts to central administration constitute about \$176,000 of the \$500,000 total
- Director of Staff Development and Curriculum (or something like that)
 - Presented by Constance Evelyn
 - Lansing SD has agreed to share this position with ICSD, so BOCES would yield something like take over responsibility of the position, and the position would be split .6-.4 between ICSD and Lansing
 - Eldred Harris expressed concern that cuts to this area might effect the quality and training of staff, particularly concerning issues of race
 - Savings in the first year: \$52,626
- Director Information and Instructional Technology (or something like that)
 - Presented by Pastel
 - Same arrangement as above
 - Savings in the first year: \$51,000
- Associate Principals
 - .6 position at IHS
 - 1.0 at LACS
 - Savings: just under \$200,000
- One retirement, not to be replaced
 - Savings: \$130,000
- Cuts to the Office of Bias Prevention
 - Presented by Lesli Myers
 - The work done by this centralized office would be decentralized and done in each building
 - Myers claimed this would not effect oversight of this sensitive area
 - Eldred Harris expressed both skepticism of Myers's claim and concern that minority students are bearing the brunt of the central administration's cuts. He referred to "class warfare".
 - Savings: \$73,000

6. Class Size (Elementary) & Site Based Decision Making Plan

- A discussion, led by Pastel, of scenarios for increasing class sizes across the elementary schools
- The numbers are based on January figures because those, historically, have been the most stable
- Kindergarten class sizes are estimates, taken from the previous year's kindergarten class sizes
- The possibility of going to multi-age classrooms would be considered but would not be an across the board policy
- The Board's own policies do not strictly limit the number of students per class. Rather, they provide guidelines. In other words, the maximum number of students recommended for classes (K-1: 25; 2-3: 27; 4-5: 29) are merely guidelines and not caps
- The spreadsheet on the ICSD Budget website (see above) will outline the details

- By my count, the spreadsheet indicates that increase in class size would result in cutting 9 teaching positions. I seem to recall, however, that another scenario outlined by Pastel (on the Budget website perhaps) found a reduction of 10 teaching positions.
- Josh Bornstein requested a breakdown of how these larger class sizes might affect ICSD’s own goal of ensuring that race, class, and disability aren’t predictors of educational success. He wanted specifics about how many students, for instance, with IEPs might be in a 30-student classroom, and what sort of help the teacher would get in that case.
 - There ensued a longer discussion of why this information is necessary for informed decision-making
 - Classes with large numbers will disproportionately affect students with IEPs and AISs (?), and Harris, in particular, was concerned by this
 - Pastel admitted that raising class size “will have a negative impact and will slow us down when getting to those priorities.”
 - Seth Peacock wanted to know why this information was necessary if the idea was to let staff (principals, teachers, etc.) in each building make their own decisions about the allocation of resources
 - Bornstein responded that he was interested in information so the Board and the Superintendent can make decisions based on real scenarios to assess the costs
 - Bornstein was joined by Eversley Bradwell, Perez, and Harris, and others in requesting information
 - The Board formally requested more information for classes which, under Pastel’s proposal, would go significantly (2 or 3?) over the District’s guidelines

7. Preliminary Target of Board for Tax Levy Increase

- This was a discussion of what sort of target the Board would set as a framework for Pastel and her office to draft a budget. In other words, the tax levy increase target set by the Board establishes the initial parameters for Pastel’s budget. The lower the increase the more cuts that will need to be made – and vice versa.
- The increases being discussed ranged from a low of 2% to a high of 4.5%
- At least some members of the Board noted that, in past years, a higher proposed increased levy might result in a budget being rejected by voters, but that this year a proposal that was too low would result in severe cuts to programs and might incur the wrath of voters
- Here are my notes of where folks stood:
 - Peacock: 4.4%
 - Bornstein: 4.25-4.5%
 - Harris: 2%
 - Kunz: 4.25%
 - Ainslie: 4%
 - Eversley Bradwell: started at 3 or 3.5% but was convinced by others to support 4.25%
 - True: 4.25%

- Grainger: I don't have a number here, but he remained unconvinced by 4.25% and would like to see it lower (my recollection, which could be faulty, tells me he mentioned 2%)
- Perez: see Grainger above
- In the end, the Board settled on a compromise number: 3.75%
 - By Peter Wissocker's reckoning, that would require more than \$6 million in budget reductions
- A few of interesting and important things to note from this discussion
 - Grainger seemed frustrated (Sara may have a different interpretation) that Fall Creekers had sent many emails about keeping the school open, but few had offered a tax levy increase that they would be willing to sustain. He challenged Fall Creek folks to let the Board know what sort of increase they could endure to keep cuts (like the closing of the school) down. See Sara's notes below for a different interpretation.
 - Eversley Bradwell remarked that a 2% increase is not impossible; it is only undesirable. But Kunz responded that she could not see how such a small levy increase (accompanied by large cuts) would be "feasible for fall 2010." But she added that a lower levy and larger cuts may be possible for 2011-12, "so maybe we need a higher number [increase] this year."
 - Finally, Peacock inquired as to the process by which Board suggestions would be taken into account by Pastel's office as the budget is being prepared. Disappointingly, this came at a point when many Board members were anxious to leave (9:35 or so), so no full discussion ensued. It was decided that the list generated from the previous night's Budget Committee meeting would be a starting point and that Board members could add items to the list before Thursday. They would trust Pastel's office to do the work of vetting good and bad ideas.

Sara Culotta's Notes

In my opinion, a very bad job was done presenting detailed and complex math. Some Board members were confused, and I wasn't sure I was following correctly. I just looked at the spreadsheets posted on the district website, and I still don't see the numbers presented clearly.

My notes from last night show these figures were arrived at:

A tax levy of 2.2% would require cuts of \$7.3 million

A 4.25% tax levy (the contingency budget level) would mean cuts of \$5.5 million

The Board directed Judy to draft a budget that would require a 3.75% tax levy increase.

The dollar amount of budget cuts this levy would require was not discussed.

There was considerable discussion of what voters will approve.

The Board is unanimous on one point -- they want a budget voters will pass.

They would like to hear from people on what tax levy would be acceptable.

I agree with Peter's factual reporting about Brad's request for feedback. I did not hear it as provocative.

I agree that if members of the community can say, based on what they understand so far, whether they'd prefer the 2.2% tax increase with bigger cuts, or the 4.25% tax increase with smaller cuts, they should "vote" by emailing the Board at budget@icsd.k12.ny.us

The point was also made that once a budget is passed, we cannot spend more than that, even if Albany provides more Aid than is projected. The additional funds would go into reserves and be spent in the 2011-12 budget. Another point that I never got clear on is that if the Board's budget is smaller than the contingency budget, its smaller numbers might actually rule in a contingency budget scenario. It would mean that if the Board sends a lowball budget to the voters, we voting No and going Contingency would not have the result of "putting money/programs back in."

I've called Jay True to confirm. In the meantime, please verify this with Derek and or Aaron.

The other very important area of discussion was Equity -- which type of students would be most hurt by cuts proposed so far. Research indicates that minority and disadvantaged students struggle most in large classes. And Eldred is very concerned that cutting the Bias Prevention officer, and other proposed administrator cuts would disproportionately affect those students too, and/or send a message to the community that once again, the district isn't putting its money where its mouth is (my paraphrasing)

Lesli Myers expressed the Executive Team's opinion that the good work of those staff has resulted in more bias prevention work being done by principal & teachers in each building, and would not have a big negative effect. To me, this seems like an area to invite the Equity & Inclusion Leadership Council to comment on. They meet tomorrow and I'll make a few calls to see if this can be on their agenda.